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**NEWS From:**

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**Congressman Mike Honda**

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FIFTEENTH DISTRICT - CALIFORNIA

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**Honda, Ross Introduce Law to Protect Medicare Surplus**

**Washington, DC**— Congressmen Mike Ross (D-AR) and Mike Honda (D-San Jose) today introduced legislation to establish a “lockbox” to protect Medicare surpluses from being raided to fund new spending or other purposes. Honda and Ross expressed concern over recent comments by the Bush Administration suggesting their willingness to use Medicare for purposes other than health care.<sup>1</sup>

**“While I strongly support a meaningful tax cut for working families, I am concerned that the Bush Administration has put the ‘cart before the horse’ in seeking to pass a large tax cut before we outline the framework of what our National Budget will be,”** said Honda. **“We must first set the framework for our spending priorities and protect the Medicare Trust Fund by taking it off the table before we can responsibly define what the tax cut will be.”**

Under current law, Social Security is already “off-budget” and has the benefit of parliamentary points order against using its surpluses for other purposes. The bill supported by Honda would create similar points of order for Medicare whereby any legislation that would reduce the Medicare Trust Fund for any purpose unrelated to Medicare could be challenged. In addition, the legislation would protect Medicare from across the board cuts that could be triggered if Congress exceeds other budgetary limits.

Today the Republican Leadership rushed to the floor H.R. 2— a watered down version of the bill Honda supports under expedited procedural rules of the House of Representatives known as “Suspension of the Rules.” H.R. 2 bypassed the traditional legislative process and was not submitted to the House Ways and Means Committee for consideration. Both Honda and Ross plan to support H.R. 2, but believe it does not go far enough because it allows any tax and spending bill that contains the phrase “Medicare reform legislation” to dip into the Medicare surplus.

**“H.R. 2 is an important first step because it puts the Medicare surplus in a box,”** continued Honda. **“I look forward to working with my colleagues on the Budget committee and my colleagues in the House to make sure we keep our promise to the American people by strengthening this legislation so that the box is secured by a lock that cannot be picked merely by using a password.”**

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<sup>1</sup> During the confirmation hearings for Office of Management and Budget Director, Mitch Daniels stated, “I would be very hesitant to see us treat [Medicare] funds the same way we do Social Security.” At a January 30 press briefing, your press spokesman, Ari Fleischer, stated that we ought to spend the Medicare surplus now rather than “use Medicare money to pay off bonds.” Even more troubling was the suggestion that your administration was contemplating using Social Security trust funds. When *Business Week* raised the possibility of dipping into the Social Security surplus to pay for government programs and the tax cut, your chief economic advisor, Larry Lindsey,

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responded, “It’s a question that needs to be asked.”